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September 13, 2006

Hon. James H. Welsh, Commissioner Department of Natural Resources Office of Conservation P. O. Box 94275 - Capitol Station Baton Rouge, Louisiana 70804-9275

Dear Sir:

Chevron U.S.A. Inc. requests the calling of a public hearing, after due legal notice, to consider the following matters pertaining to the X-2 Marker Sand, Reservoir A in the West Bay Field, Plaquemines Parish, Louisiana.

- 1. To establish rules and regulations governing the exploration for and production of gas and condensate from the above sand.
- 2. To establish a single drilling and production unit for the above sand.
- 3. To force pool and integrate all separately owned tracts and mineral leases and other mineral interests within the unit.
- 4. To designate Chevron U.S.A. Inc. as operator of the X-2 MARKER RA SUA.
- 5. To designate Chevron's (Ridgelake) Buras Levee District D Well No. 19 (BLD "D" No. 1) as the unit well for the X-2 Marker RA SUA.
- 6. To provide that any future replacement and/or alternate wells for said unit shall be exempt from the spacing provisions of Statewide Order No. 29-E.
- 7. To provide for future reclassification of the reservoir without the necessity of a public hearing if such reclassification becomes necessary due to a change in production characteristics.
- 8. To consider such other matters as the Commissioner may deem pertinent.

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The X-2 Marker Sand, Reservoir A, in the West Bay Field is hereby defined as being that gas and condensate bearing sand encountered between the electric log depths of 2,262 MD (-2,239 SS) feet and 2,342 MD (-2,319 SS) feet in the Chevron U.S.A. Inc. (Ridgelake) – Buras Levee District D Well No. 19 (BLD "D" No. 1), located in Section 6, Township 23 South, Range 31 East, Plaquemines Parish, Louisiana.

Chevron will provide for the advertisement of the legal notice in a newspaper of general circulation in the vicinity of the West Bay Field, and also will post the legal notice and unit plat in a prominent place in the area of the field. Chevron will also mail a copy of said legal notice and unit plat to Interested Owners, Represented Parties and to Interested Parties.

Attached are (1) a copy of the unit plat, (2) a list of Interested Owners, Represented Parties, and Interested Parties, and (3) our check in the amount of \$755.00 to cover the application fee.

A copy of this application, plat and list attached, is being sent to Mr. Richard D. Hudson, District Manager, Lafayette, Louisiana. A copy of this application and plat are also being sent to each Interested Owner, Represented Party, and Interested Party after a reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

The pre-application conference was not held since Chevron did not receive a request to confer.

All pertinent data relating to the subject application is available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 North Causeway Blvd., Suite 204, Metairie, Louisiana, 70002. Any person wishing to inspect such data should call Mr. Louis Gilbert at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is not otherwise available from the Office of Conservation can be obtained from Mr. Gilbert at the cost of the requesting party. Any other questions or concerns should be directed to the undersigned at Chevron U.S.A. Inc., 935 Gravier St., Room 656, New Orleans, Louisiana 70112, telephone number (504) 592-6768.

Yours truly.

Anthony J. Bodine, CPL

Senior Land Representative

Attachments

cc: Mr. Richard D. Hudson, District Manager

Interest Owners, Represented Parties and Interested Parties

